

29 June 1967

MEMORANDUM FOR: Mr. Frank Hand

SUBJECT : Vietnam Rumble

1. Saigon AP correspondent Barry Kramer has filed a story on alleged dissension within the South Vietnamese Government and the possibility Ky might step down. He claims the Armed Forces Council meeting following the demotion of Loan as MSS chief produced a no confidence vote for Ky. According to Kramer, Big Minh desires to return to run for president adding to the confusion, with the Armed Forces Council deciding Minh will not be allowed to return. The Kramer story also cites unconfirmed reports of unspecified troop movements involving Marines at Vung Tau under General Khang's command. The Department is querying Embassy in FLASH telegram 218519.

2. I cabled Saigon this morning re the above and have a reply that there seems to be no basis to this AP story. The Station, however, is still checking. The AP story may be a compendium of rumors sparked by meetings reported in

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